

Agency for International Development  
Washington, D.C. 20527

180-0029

PDFCU-857

JUL 15 1991

William L. Flinn  
Executive Director  
Midwest Universities Consortium  
for International Activities, Inc..  
66 East 15th Avenue  
Columbus, Ohio 43201

Subject: Grant No. EUR-0029-G-00-1055-00

Dear Dr. Flinn:

Pursuant to the authority contained in the Foreign Assistance Act of 1961, as amended, the Agency for International Development (hereinafter referred to as "A.I.D.") hereby provides to the Midwest Universities Consortium for International Activities, Inc. (hereinafter referred to as "MUCIA" or "Grantee") the sum of one million twenty-eight thousand, nine hundred eight U.S. dollars (\$1,028,908) in increment funding to support a project entitled "Management Training and Economics Education in Central and Eastern Europe" (Project Number 180-0029), as more fully described in Attachment 1 of this Grant entitled, "Schedule"; Attachment 2, entitled "Program Description;" and Attachment 4, entitled "Grantee Application."

This Grant is effective and obligation is made as of the date of this Cover Letter and shall apply to commitments made by the Grantee in furtherance of program objectives for the period set forth in Section B of the Schedule of this Grant. Funds disbursed by A.I.D. but uncommitted by the Grantee at the expiration of this period shall be refunded to A.I.D.

The total estimated program amount is \$1,993,548. The total estimated A.I.D. amount is \$1,092,927 of which \$828,908 is hereby obligated (hereinafter referred to as the "Obligated Amount") and the Grantee is expected to fund \$900,621 in nonfederal contributions. A.I.D. shall not be liable for reimbursing the Grantee for any costs in excess of the Obligated Amount.

This Grant is made to the Grantee on the condition that the funds will be administered in accordance with the terms and conditions as set forth in this Cover Letter, Attachment 1, entitled "Schedule", Attachment 2, entitled "Program Description", Attachment 3, entitled "Standard Provisions", and Attachment 4, entitled "Grantee Application," which together constitute the entire Grant document and have been agreed to by your organization.

Please sign the original and each copy of this cover letter to acknowledge your receipt of this Grant, and return the original and all but one copy for your files the undersigned.

Sincerely,



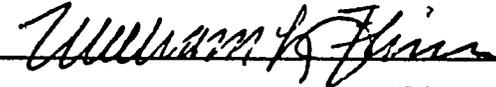
Diane M. Miller  
Grant Officer  
Overseas Division  
Office of Procurement

**Attachments:**

1. Schedule
2. Program Description
3. Standard Provisions
4. Grantee Application

**RECEIPT ACKNOWLEDGED:**

MIDWEST UNIVERSITIES CONSORTIUM  
FOR INTERNATIONAL ACTIVITIES, INC.

BY: 

TYPED NAME: William L. Flinn

TITLE: Executive Director & President

DATE: July 18, 1991

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FISCAL DATA

A. GENERAL

- A.1. Total Estimated Program Amount: \$1,993,548
- A.2. Total Obligated Amount: \$828,908
- A.3. Estimated Cost-Sharing Amount (NonFederal): \$990,621
- A.4. Project No.: 180-0029
- A.5. A.I.D. Project Office: ENE/EUR, Stephen French
- A.6. Funding Source: A.I.D./W
- A.7. Paying Office: FM/CMP/LC
- A.8. Tax I.D. No.: 36-6110422
- A.9. DUNS No.: 12-257-8867
- A.10. Letter of Credit No.: 72-00-1333

B. SPECIFIC

- B.1.(a) PIO/T No.: 180-0029-3-1183665
- B.1.(b) Appropriation: 72-11X1010
- B.1.(c) Allotment: 184-63-180-01-69-11
- B.1.(d) BPC: QAIX-91-33180-IG-12
- B.1.(e) PIO/T Amount: \$828,908

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ATTACHMENT 1

SCHEDULE

A. PURPOSE OF GRANT

The purpose of this Grant is to provide financial support for the program described in Attachment 2 of this Grant entitled "Program Description" and in Attachment 4, entitled "Grantee Application" This program is in response to the Request for Applications (hereinafter referred to as "RFA") for the Management Training and Economics Education Project.

B. PERIOD OF GRANT

B.1. The effective date of this Grant is the date of the Cover Letter and the estimated completion date is August 31, 1992.

B.2. Funds obligated hereunder shall be used to reimburse the Grantee for allowable program expenditures incurred by the Grantee in pursuit of program objectives for the estimated period from July 5, 1991 to approximately August 31, 1992.

C. AMOUNT OF GRANT AND PAYMENT

C.1. The total estimated program amount of the program described in Attachment 2 of this Grant is \$1,993,548.

C.2. The total amount of A.I.D. contribution to the total estimated program costs shown in C.1. above, to be provided through this Grant (hereinafter referred to as "Total A.I.D. Amount") for the period shown in B.1. above is \$1,092,927.

C.3. A.I.D. hereby obligates \$828,908 (hereinafter referred to as the "Obligated Amount") for program expenditures during the estimated period set forth in Section B.2. above. A.I.D. shall not be liable for reimbursing the Grantee for any costs in excess of the Obligated Amount.

C.4. Payment shall be made to the Grantee in accordance with procedures set forth in the Standard Provision of this Grant entitled "Payment - Letter of Credit," as set forth in Attachment 3.

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**D. GRANT FINANCIAL PLAN**

D.1. The following is the Financial Plan (budget) for the program amount of this Grant for its full period. The Grantee may not exceed the Total A.I.D. Amount or the Obligated Amount of this Grant, whichever is less (see Sections C.1. and C.2., respectively, of this Schedule). Any revisions to the grant financial plan must be made in accordance with the Standard Provision entitled "Revision of Grant Budget," as shown in Attachment 3.

**D.2. Financial Plan**

<u>Cost Element</u>	<u>A.I.D. Oblig. Amount</u>	<u>Amount To Be Funded</u>	<u>Grantee/ Others (Nonfed.)</u>	<u>Total Program Amount</u>
(a) DIRECT COSTS				
Salaries	\$214,570	\$68,355	\$165,371	\$448,296
Fringe Benefits*	62,011	19,754	47,792	129,557
Travel/Per Diem	183,023	58,305	0	241,328
Workshops/Seminars	75,404	24,021	152,800	252,225
Nonexpendable				
Equipment	45,504	14,496	220,000	280,000
Other Direct				
Costs	<u>27,522</u>	<u>8,767</u>	<u>36,599</u>	<u>72,888</u>
SUBTOTAL	\$608,034	\$193,698	\$622,562	\$1,424,294
(b) INDIRECT COSTS	<u>\$220,874</u>	<u>\$ 70,321</u>	<u>\$278,059</u>	<u>\$ 569,254</u>
TOTAL	\$828,908	\$264,019	\$900,621	\$1,993,548

\* Fringe benefits applicable to direct salaries and wages are treated as direct costs. The following fringe benefits are included in the above fringe benefit line item: life insurance, unemployment compensation, worker's compensation, tuition/remission, medical/dental insurance, FICA, and retirement.

D.3. Inclusion of any cost in the budget of this Grant does not obviate the requirement for prior approval by the Grant Officer of cost items designated as requiring prior approval by the applicable cost principles (see the Standard Provision of this Grant set forth in Attachment 3 entitled "Allowable Costs") and other terms and conditions of this Grant, unless specifically stated in Section I. below.

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**E. REPORTING REQUIREMENTS**

**E.1. Financial Reporting**

E.1.(a) Financial reporting requirements shall be in accordance with the Standard Provision of this Grant entitled "Payment - Letter of Credit" as set forth in Attachment 3.

E.1.(b) All financial reports shall be submitted to A.I.D., Office of Financial Management, FM/A/PNP, Room 700 SA-2, Washington, D.C. 20523-0209. In addition, three (3) copies of all financial reports shall be submitted to the A.I.D. Project Officer specified in the Fiscal Data page of this Grant.

E.1.(c) With the exception of the final financial report, all financial reports shall be submitted within thirty (30) days following the end of the reporting period. The final financial report shall be submitted within ninety (90) days following the estimated completion date of this Grant.

E.1.(d) The Grantee's financial reports shall include expenditures of A.I.D. Grant funds provided hereunder. The Grantee is expected to inform A.I.D. on the status of nonfederal matching funds in the financial report.

**E.2. Program Performance Planning and Reporting**

**E.2.(a) Project Implementation Plan**

Not later than ninety (90) days from the effective date of this Grant (see Section 1B. above), the Grantee shall prepare and submit to the A.I.D. Project Officer specified in the Cover Letter of this Grant three (3) copies and to the Grant Officer one (1) copy of a Project Implementation Plan (PIP), for the full term of this Grant. The PIP may be either jointly developed by the U.S. grantee and the counterpart institution(s), or developed by the U.S. grantee and reviewed and concurrence by the local organization(s). The PIP must be signed by a representative of the counterpart institution(s).

The substantive areas to be included in the implementation plan include the following:

- 1). Local content or local relevance of training materials;
- 2). Management of the trainee selection system;
- 3). Local institution's commitment of facilities and staff;
- 4). Coordination with other USG funded and/or other donor programs (as applicable);

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5). Comments and recommendations made by local (A.I.D. Representative, if available) U.S. Embassy during early field visits; and

6). The development of formative evaluation indicators.

The PIP with counterpart concurrence must be submitted to the appropriate AmEmbassy and ENE/EUR within ninety (90) days of the signature date of this Grant. Compliance with this requirement will be one of the key indicators considered in reviewing grant implementation when considering future funding.

**E.2.(b) Quarterly Reports by Reference to Quantifiable Indicators and Other Evaluation Benchmarks**

**E.2.(b)(1)** The Grantee shall submit three (3) copies of quarterly program performance reports, which coincide with the financial reporting periods described in Section E.1. above, to the A.I.D. Project Office specified in the Cover Letter of this Grant, and to the A.I.D. Representative (or A.I.D. Affairs Officer, Economic Section at the AmEmbassy) of the country where the program is being undertaken. In addition, two copies shall be submitted to A.I.D., PPC/CDIE/DI, Washington, D.C. 20523-1802. These reports shall include quantitative and qualitative measures of performance, shall be submitted within thirty (30) days following the end of the reporting period, and shall briefly present the following information:

**E.2.(b)(1)(A)** Implementation status including a comparison of actual accomplishments with the established evaluation benchmarks for the period. If the output of programs can be readily quantified, such quantitative data should be related to cost data for computation of unit costs.

**E.2.(b)(1)(B)** Reasons why established goals were not met, if applicable, including any problems or difficulties requiring U.S. Government, possibly host country, or implementing organization attention.

**E.2.(b)(1)(C)** Summary financial report of all project expenditures, by subcomponent.

**E.2.(b)(1)(D)** Other pertinent information including, when appropriate, analysis and explanation of cost overruns or high unit costs.

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**E.2. (b) (2)      Special Reports**

Between the required program performance reporting dates, events may occur that have significant impact upon the program. In such instances, the Grantee shall inform the A.I.D. Project Officer as soon as the following types of conditions become known:

**E.2. (b) (2) (A)** Problems, delays, or adverse conditions that will materially affect the ability to attain program objectives, prevent the meeting of time schedules and goals, or preclude the attainment of work units by established time periods. This disclosure shall be accompanied by a statement of the action taken, or contemplated, and any U.S.G., or possible host country, assistance needed to resolve the situation.

**E.2. (b) (2) (B)** Favorable developments or events that enable time schedules to be met sooner than anticipated or more work units to be produced than originally projected.

**E.2. (b) (2) (C)** If any performance review conducted by the Grantee discloses the need for change in the budget estimates in accordance with the criteria established in the Standard Provision of this Grant entitled "Revision of Grant Budget," the Grantee shall submit a request for a revision of the grant's financial plan to the Grant Officer and the A.I.D. Project Officer specified in the Cover Letter of this Grant.

**E.2. (b) (2) (D)** Quarterly updates and proposed modifications of annual work plans, specifically to include travel projected for the subsequent quarter.

**E.2. (c)      Annual Report of Project**

The annual report will be submitted to both ENE/EUR, A.I.D. Washington and to the A.I.D. Representative (or the A.I.D. Affairs Officer, Economic Section at the AmEmbassy) in Prague, Budapest, and Warsaw. The annual report will substantively review performance against planned quantitative and qualitative measures. A further funding will be contingent on the Grantee submitting complete reporting, effectively resolving implementation problems, as well as on the availability of funds and any revisions in the overall program structure that A.I.D. may require.

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Within sixty (60) days following the estimated completion date of this Grant the Grantee shall submit three (3) copies of the final report as indicated in the preceding paragraph. It should include: (1) an executive summary of the Grant's accomplishments or failings; (2) a description of the Grant activities from its inception; (3) significance of these activities; (4) comments and recommendations; and (5) a fiscal report that describes in detail how the Grant funds were used. In addition, two (2) copies shall be submitted to A.I.D., PPC/CDIE/DI, Washington, D.C. 20523-1802.

**E.2.(d) Training Reports**

E.2.(d)(1) The Standard Provision entitled "Participant Training" applies to this Grant (see section L.2. of this Schedule), therefore, the Grantee shall comply with reporting and information requirements of the Standard Provision of this Grant entitled "Participant Training," as well as Chapters 5 and 24 of A.I.D. Handbook 10.

E.2.(d)(2) The Grantee shall also provide five (5) copies of quarterly training reports to the A.I.D. Project Officer, for participant training covered by this Grant. The report shall include the following information:

- The total of new trainees during the period; and
- The following information for each trainee:
  - a. name
  - b. citizenship
  - c. gender
  - d. training site (MUCIA member university site)
  - e. beginning and ending dates of training
  - f. purpose of training
  - g. type of training activities
  - h. source of funding

E.2.(d)(3) The Grantee shall provide three (3) copies of all training manuals produced under this Grant to the A.I.D. Project Officer.

**F. CLOSEOUT PROCEDURES (IN ACCORDANCE WITH OMB Circular A-110)**

1. This paragraph prescribes uniform closeout procedures for A.I.D. grants.
2. The following definitions shall apply for the purpose of this paragraph:

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- a. Closeout. The closeout of a grant is the process by which A.I.D. determines that all applicable administrative actions and all proposed work of the grant have been completed by the Grantee and A.I.D.
  - b. Date of completion: The date of completion is the date on which all work under the grant is complete or the date on the award document, or any supplement or modification thereto, on which A.I.D. sponsorship ends.
  - c. Disallowed costs: Disallowed costs are those charges to a grant that A.I.D. or its representative determines to be unallowable, in accordance with the applicable Federal cost principles or other conditions contained in the grant.
3. A.I.D. closeout procedures are the following requirements:
- a. Upon request, A.I.D. shall make prompt payments to a recipient for allowable reimbursable costs under the grant being closed out.
  - b. The Grantee shall immediately return any balance of unobligated (unencumbered) cash that A.I.D. has advanced or paid and that is not authorized to be retained by the Grantee for use in other grants or cooperative agreements.
  - c. A.I.D. shall obtain from the Grantee within ninety (90) calendar days after the date of completion of the grant all financial, performance, and other reports required as the condition of the grant. A.I.D. may grant extensions when requested by the Grantee.
  - d. When authorized by the grant, A.I.D. shall make a settlement for any award or downward adjustments to A.I.D.'s share of the costs after these reports are received.
  - e. The Grantee shall account for any nonexpendable property (equipment) acquired with A.I.D. funds.
  - f. In the event a final audit has not been performed prior to the closeout of the grant, A.I.D. shall retain the right to recover an appropriate amount after fully considering the recommendations on questioned costs resulting from the final audit.

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**G. INDIRECT COSTS**

1. Pursuant to the standard provision of this Grant entitled "Negotiated Indirect Cost Rates-Provisional," a rate has been established for each of the Grantee's accounting periods which apply to this Grant. Pending the establishment of revised predetermined, provisional or final indirect cost rates for each of the Grantee's accounting periods which apply to the Grant, payments on account of allowable indirect costs shall be made on the basis of the following negotiated provisional rates applied to the base which are set forth below:

<u>Type</u>	<u>Rate</u>	<u>Base</u>	<u>Period</u>	<u>Location</u>
Provisional	45.0%	1/	7/1/90-Until Amended	On Campus
Provisional	27.3%	1/	7/1/90-Until Amended	Off Campus

1/ Base: Modified total direct cost less specific items to be excluded and negotiated between the subcontractor/lead member university (Indiana University) and its cognizant federal agency. Indiana University's base is "modified total direct costs less cost of equipment, alterations and renovations, subgrants and subcontracts, hospitalization and other fees related to patient care as well as tuition/remission." Additionally, for each subcontract which Indiana University has with a collateral subcontract university, MUCIA will charge an amount produced by factoring the difference between MUCIA's Consolidated Indirect Cost Rate and the collateral subcontracting university rate against the amount in excess of \$25,000 of the approved base of allocation of the subcontracting university.

Special Remarks - Indiana University: Treatment of paid absences: Vacation, holiday, sick, leave pay and other paid absences are included in "salaries" (see section D of this Schedule.)

**H. TITLE TO PROPERTY**

Title to property acquired hereunder shall vest in the Grantee, subject to the requirements of the Standard Provision of this Grant entitled "Title To and Use of Property (Grantee Title)" regarding use, accountability, and disposition of such property.

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**I. PROCUREMENT AND (SUB) CONTRACTING**

**I.1. Authorized Geographic Codes**

The total value of procurement of goods and services is estimated to be less than \$250,000, therefore, the following shall apply:

All services/goods/commodities shall have their nationality/source/origin first in the United States (A.I.D. Geographic Code 000), or Special Free World Countries (Geographic Code 935), except as A.I.D. may otherwise agree in writing, in accordance with the Optional Standard Provision entitled, "A.I.D. Eligibility Rules for Goods and Services (November 1985)". Although A.I.D. Geographic Code 935 does not normally include the cooperating country, for the period of this grant, unless otherwise amended, the aforementioned Optional Standard Provision is amended to include the cooperating countries: Czechoslovakia, Hungary, and Poland (A.I.D. Geographic Codes 184, 185, and 181 respectively) as Code 935 countries. The order of preference in paragraph (b)(1) of that provision applies as stated, with Czechoslovakia, Hungary, and Poland approved as cooperating countries.

**I.2. Procurement Cost Detail**

Whenever feasible, the Grantee and/or its subgrantees will be responsible for purchasing the U.S. equipment and commodities required for the technical assistance components of the program. This equipment must be specifically and directly linked to the training programs undertaken under the various subcomponents. The Grantee will be responsible for providing more exact details and specifications of the commodities it proposes to procure, including estimated costs of same, when requesting approval for the procurement of the commodities.

**I.3. Air Transportation**

The eligibility of air travel and transportation services is determined by the flag registry of the aircraft. The Standard Provision of this Grant entitled "Air Travel and Transportation" applies. Commodities are ineligible for A.I.D. financing hereunder if shipped under an air charter that has not received prior approval of the Grant Officer, regardless of whether such transportation costs are financed hereunder.

**I.4. Government Owned Organizations**

Notwithstanding the foregoing, a Government Owned Organization, i.e., a firm operated as a commercial company or other organizations (including nonprofit organizations other than

public educational institutions) which are wholly or partially owned by governments or agencies thereof, are not eligible as suppliers of goods and commodities, commodity-related services, or services (other than commodity-related services), except as the Grant Officer may otherwise agree in writing.

**I.5. Ocean Freight**

The Grantee shall not incur any ocean shipment costs, therefore, the Optional Standard Provision, "Ocean Shipment of Goods" is not applicable to this Grant.

**J. SPECIAL PROVISIONS**

**J.1. (Sub)contracting with Nonprofit Organizations**

For the purposes of this Grant, references to "OMB Circular A-122" in the Standard Provisions of this Grant shall include the A.I.D. implementation of this Circular, as set forth in Subpart 731.7 of the A.I.D. Acquisition Regulations (AIDAR) (48 CFR Chapter 7).

**J.2. Employee Salaries**

Except as the Grant Officer may otherwise agree in writing, A.I.D. shall not be liable for reimbursing the Grantee for any costs allocable to the salary portion of direct compensation paid by the Grantee to its employees for personal services which exceed the highest salary level for a Foreign Service Officer, Class 1 (FS-1), as periodically amended.

**J.3. Consultant Fees**

Compensation for consultants retained by the Grantee hereunder shall not exceed, without specific approval of the rate by the Grant Officer: either the highest rate of annual compensation received by the consultant during any full year of the immediately preceding three years; or the maximum rate of a Foreign Service Officer, Class 1 (FS-1) (as periodically amended), whichever is less. A daily rate is derived by dividing the annual compensation by 2,087 and multiplying the result by 8.

**J.4. Equipment and Other Capital Expenditures**

**J.4.(a) Requirement for Prior Approval**

Pursuant to the Standard Provisions of this Grant entitled "Allowable Costs" and "Revision of Grant Budget," the Grantee must obtain A.I.D. Grant Officer approval for the following:

Purchase of "General Purpose Equipment," which is defined as an article of nonexpendable tangible personal property, the use of which is not limited only to research, medical, scientific, or other activities (e.g., office equipment and furnishings, air conditioning equipment, reproduction and other equipment, motor vehicles, and automatic data processing equipment, having a useful life of more than two years and an acquisition cost of \$500 or more per unit.)

**J.4.(b) Approvals**

In furtherance of the foregoing, the Grant Officer does hereby provide approval for the following purchases, which shall not be construed as authorization to exceed the total estimated amount or the obligated amount of this Grant, whichever is less (see section C. of this Schedule):

<u>Item Description</u>	<u>Quantity</u>
IBM PS/2 computer and software	6
laser printer	3
modem	3
scanner	3

**J.4.(c) Exception for Automation Equipment**

Any approval for the purchase of automation equipment which may subsequently be provided by the Grant Officer is not valid if the total cost of purchases of automation equipment (e.g. computers, word processors, etc.), software, or related services made hereunder will exceed \$100,000. The Grantee must, under such circumstances, obtain the approval of the Grant Officer for the total planned system of any automation equipment, software, or related services.

**J.4(d) Used Equipment**

Used equipment may only be purchased with the prior written approval of the Grant Officer.

**J.5. Defense Base Act (DBA) and/or Medical Evacuation Insurance**

Pursuant to Section J.16. of OMB Circular A-21 the Grantee is authorized to purchase DBA and/or medical evacuation insurance under this Grant.

**K. ORDER OF PRECEDENCE**

The grantee's proposal (application) of December 31, 1990 and revision of May 24, 1991 are hereby incorporated as Attachment 4. In the event of any inconsistencies in this Grant, they shall be resolved by applying the following descending order of precedence:

- Attachment 1 - Schedule
- Cover Letter
- Attachment 3 - Standard Provisions
- Attachment 2 - Program Description
- Attachment 4 - Grantee's Application and Revision

**L. STANDARD PROVISIONS**

The Standard Provisions set forth as Attachment 3 of this Grant consist of the following Standard Provisions denoted by an "X" which are attached hereto and made a part of this Grant:

**L.1. Mandatory Standard Provisions For U.S.,  
Nongovernmental Grantees**

- ( X ) Allowable Costs (November 1985)
- ( X ) Accounting, Audit, and Records (September 1990)
- ( X ) Refunds (September 1990)
- ( X ) Revision of Grant Budget (November 1985)
- ( X ) Termination and Suspension (May 1986)
- ( X ) Disputes (November 1989)
- ( X ) Ineligible Countries (May 1986)
- ( X ) Debarment, Suspension, and Other Responsibility Matters (March 1989)
- ( X ) Nondiscrimination (May 1986)
- ( X ) U.S. Officials Not to Benefit (November 1985)
- ( X ) Nonliability (November 1985)
- ( X ) Amendment (November 1985)
- ( X ) Notices (November 1985)

**L.2. Additional Standard Provisions For U.S.,  
Nongovernmental Grantees**

- ( X ) Payment - Letter of Credit (November 1985)
- ( ) Payment - Periodic Advance (January 1988)
- ( ) Payment - Cost Reimbursement (November 1985)
- ( X ) Air Travel and Transportation (November 1985)
- ( ) Ocean Shipment of Goods (May 1986)
- ( X ) Procurement of Goods and Services (November 1985)
- ( X ) AID Eligibility Rules for Goods and Services (November 1985)
- ( X ) Subagreements (November 1985)

- ( X ) Local Cost Financing (November 1988)
- ( ) Patent Rights (November 1985)
- ( X ) Publications (November 1985)
- ( ) Negotiated Indirect Cost Rates - Predetermined (May 1986)
- ( X ) Negotiated Indirect Cost Rates - Provisional (May 1986)
- ( X ) Regulations Governing Employees (November 1985)
- ( X ) Participant Training (May 1986)
- ( ) Voluntary Population Planning (August 1986)
- ( ) Protection of the Individual as a Research Subject (November 1985)
- ( ) Care of Laboratory Animals (November 1985)
- ( X ) Government Furnished Excess Personal Property (November 1985)
- ( X ) Title To and Use of Property (Grantee Title) (November 1985)
- ( ) Title To and Care of Property (U.S. Government Title) (November 1985)
- ( ) Title To and Care of Property (Cooperating Country Title) (November 1985)
- ( X ) Cost Sharing (Matching) (November 1985)
- ( ) Use of Pouch Facilities (November 1985)
- ( X ) Conversion of United States Dollars to Local Currency (November 1985)

**M. COST SHARING AND OTHER CONTRIBUTIONS**

**M.1.** The Grantee agrees to expend from nonfederal funds not less than the amount shown in the financial plan of this Grant under the column heading "Grantee/Others (Nonfed.)" (see section D. of this Schedule).

**M.2.** If cost sharing is required under this Grant pursuant to section L.1. above, the Standard Provision entitled "Cost Sharing (Matching)" applies.

**M.3.** The aforesaid Standard Provision makes reference to project (program) costs. "Project Costs" are defined in Attachment E of OMB Circular A-110 as all allowable costs (as set forth in the applicable cost principles [see the Standard Provision of this Grant entitled "Allowable Costs"]) incurred by a Grantee and the value of in-kind contributions made by the Grantee or third parties in accomplishing the objectives of this Grant during the program.

**M.4.** Expenses incurred after June 5, 1991 by MUCIA which are funded from nonfederal sources in furtherance of the program may be considered under this column heading.

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**N. SUBAGREEMENTS**

Should MUCIA subgrant to organizations and/or educational institutions outside of its member universities, the Standard Provision entitled "Subagreements" shall apply. The Grantee shall obtain the Grant Officer's written approval prior to entering into any subagreements.

(End of Attachment 1)

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## PROGRAM DESCRIPTION

### A. Program Purpose

The purpose of the Management Training and Economics Education Program is to develop the technical, management, and economics skills necessary to restructure Central and Eastern European economies and develop competitive markets and businesses. The training provided by the Grantee is to serve as a catalyst to market reform in the region.

### B. Background

The countries of Central and Eastern Europe are experiencing dramatic political and economic change. One of the most important changes is the restructuring of the basic economic infrastructure from a centrally-planned to a market-driven system. After 40 years of socialism, most of the citizens are not prepared for the challenges of a market economy. While most of the countries generally have highly educated and intelligent work forces, years of central planning and state ownership have left most individuals with a lack of the basic skills necessary to manage private business. Managers of small and large enterprises do not know how to deal with the choices involved in buying and selling under constantly changing market conditions characterized by a large number of choices. Government economics planners and politicians have little knowledge of alternative ownership schemes; of how to finance the privatization process; of how to redirect trade toward a wider, more competitive world market. Even the public at large needs to be educated to the awards and difficulties associated with the differentiated income and capital accumulation levels as well as the impact of changing personal buying power that is part of the market economies.

### C. Program Objective and Description

The goal of the program in Czechoslovakia, Hungary and Poland administered by MUCIA is to successfully make a rapid economic transformation into democratic nations by building strong economic and management capabilities in existing institutions of higher education. MUCIA's program addresses the root of the problem faced by Czechoslovakia, Hungary and Poland: the transition to a market economy. It does this by offering short term impact with long term significance - training trainers who can develop an internal national capability to forge the skills necessary in a market economy.

D. Program Components

MUCIA, a consortium of eight Big 10 universities, proposes to deliver, in conjunction with counterparts in Czechoslovakia, Hungary and Poland, a series of eight 2 1/2 day executive education modules. Existing materials are to be modified for these modules. Subject areas include: (1) market economics, (2) management accounting, (3) marketing production, (4) manufacturing/operations management, (5) logistics/distribution, (6) human resource management, (7) financial analysis/MIS, and (8) entrepreneurship/strategy in the face of change. Up to 40 participants are expected to participate in each of the three countries, in each of the 8 modules. A key aspect of this effort is the inclusion of case study workshops for faculty in each country (a case book is also expected to be published.) Approximately 36 professors will be involved directly in this exercise. Sixteen of the Eastern European faculty participants are scheduled to participate in 3-week, U.S. based executive education training programs at MUCIA schools. These professors will lead the case study workshops to be conducted in year 2, if subsequently approved. Six U.S. private sector firms have been identified which have agreed to participate by assisting in case study development (of their Eastern European Activities), providing tuition support for visiting scholars, or reducing rates on services such as communications between the U.S. and Eastern Europe.

(End of Attachment 2)

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AID 138-13871

\*PIO

**APPROVED**  
12/25/91  
JL

AGENCY FOR INTERNATIONAL DEVELOPMENT  
PROJECT IMPLEMENTATION ORDER/TECHNICAL SERVICES

1. Cooperating Country  
**Eastern Europe Regional** Page 1 of Pages

2. PIO/T No  
**180-0029-3-1183665**

3.  Original or Amendment No. \_\_\_\_\_

4. Project/Activity No. and Title  
**Management Training and Market Economics Education Project 180-0029**

DISTRIBUTION

5. Appropriation Symbol  
**72-11X1010 (184-63-180-01-69-11)**

6. Budget Plan Code  
**QAIX-91-33180-IG-12**

7. Obligation Status  
 Administrative Reservation  Implementing Document

8. Project Assistance Completion Date (Mo., Day, Yr.)  
**12/31/1993**

9. Authorized Agent  
**SER/OP**

10. This PIO/T is in full conformance with PRO/AG No. **180-0029** Date **12/26/1990**

11a. Type of Action and Governing AID Handbook  
 AID Contract (HB 14)  AID Grant or Cooperative Agreement (HB 13)  PASA/RSSA (HB 12)  Other

11b. Contract/Grant/Cooperative Agreement/PASA/RSSA Reference Number (if this is an Amendment)  
**N/A**

12. Estimated Financing (A detailed budget in support of column (2) is attached as Attachment No. \_\_\_\_\_)

Maximum AID Financing Available	A. Dollars	(1) Previous Total	(2) Increase	(3) Decrease	(4) Total to Date
					<b>828,908</b>
	B. U.S.-Owned Local Currency				

14A. Instructions to Authorized Agent  
**SER/OP is requested to execute a grant with Midwest Universities Consortium for International Activities, Inc. Funding of \$1,028,908 is provided for expenditures during the first 12 months. This grant is awarded under Request for Application (RFA) No. SPO/EE-91-002 and is incrementally funded at \$828,908 initially. Depending on availability of funds and progress in the program satisfactory to A.I.D., additional annual increments of funding will be considered.**

14B. Address of Voucher Paying Office  
**PFM/FM/CMP, Room 700, SA-2 Agency for International Development (A.I.D.) Washington, D.C. 20523-0209**

15. Clearances—Include typed name, office symbol, telephone number and date for all clearances.

A. The Project Officer certifies that the specifications in the statement of work or program description are technically accurate <b>Thomas Chapman, ENE/TR</b> <b>Stephen French, ENE/EUR</b>	Phone No. (202) <b>647-3852</b>	B. The statement of work or program description lies within the purview of the initiating office and approved agency programs. <b>Joseph Pastic, ENE/PD/EUR</b>	Date <b>4/29/91</b>
	Date <b>4/24/91</b>		D. Funds for the services requested are available <b>Rose Anderson, PFM/FM/A/PNP</b>
	Date <b>4/30/91</b>		
C. <b>Janet Rudasill-Bey, ENE/DP</b>	Date <b>4/30/91</b>	E. <b>Donald Pressley, ENE/EUR</b>	Date <b>4/30/91</b>

16. For the Cooperating Country: The terms and conditions set forth herein are hereby agreed to

Signature \_\_\_\_\_ Date \_\_\_\_\_

Title \_\_\_\_\_

17. For the Agency for International Development

Signature **[Signature]** Date **5-1-91**

Title **Robert Nachtrieb, Director, ENE/DP**

OFFICE OF FINANCIAL MANAGEMENT  
Date Posted: **5/1/91**  
INITIALS: **JL**  
FUNDS RECEIVED BY: **PFM/FM/A/PNP**

\*See HB 3, Supp. A, App. C, All II, for preparation instructions. Note: The completed form contains sensitive information whose unauthorized disclosure may subject an employee to disciplinary action.

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